

March 14, 2023

My name is Marybeth Steil, and my husband John and I invested in the Maryland Prepaid College Trust (MPCT) as well as the Investment Plan in 2010.

I am writing to you today to express my **support** for **Senate Bill 959 with amendments** that will restore our account earnings and provide restoration of full access to both rollovers and distributions for all account holders and their beneficiaries.

Like my fellow MPCT account holders, I am writing to express our outrage at Maryland529 and implore this committee and the Maryland Legislature to fully back the “legislative guarantee” that induced us all to invest in the MPCT. We would not have invested \$44,667.00, when our daughter was barely 3 years old, if we had not trusted the Maryland state government to run a solid program and for the state legislature to back their words with their deeds.

Please do not be fooled by Mr. Savia or the others representing Maryland529. **This mess is not a calculation error.** It is a unilateral change in our contracts. They are literally stealing from children. Do not let them get away with it. We always had the option to rollover our funds, so that they could be used at institutions other than Maryland state universities and colleges.

When deciding to open an account with MPCT, my husband and I understood that the in-state tuition benefit afforded by the MPCT was due to increase significantly from our purchase date in 2010, and the advertising materials for the MPCT highlighted it, in the very first pages of the brochure. Remember, this was advertised as an investment in our children’s future– not just a piggy bank. No one in their right minds would ask the state to hold funds for 15+ years, charge fees, and then hand back the same amount of money without any earnings. Please do not accept the Maryland529 Board’s assertions that the Marylanders who opened 27,000 accounts in the MPCT are this stupid. Why are they continuing to assert this when their fund is doing so well, financially? Is the plan truly overfunded? Are the investment returns truly there? Is there something amiss? Please, for the love of God, remove these people from any decision making over our accounts! They are clearly incompetent.

Every contract from 1998-2021 clearly states that we always had the Second Option - to a Rollover distribution amount EQUAL to all payments made to MPCT plus or minus 100% of Investment Earnings, and in practice has been calculated and distributed to thousands of policy holders before us for 20 years.

Their changes to that Article and the new calculations being used are applying not “100% of Investment Earnings” as written but instead a rate equal to 1 Year Treasury Note minus 1.2% (effectively 0-1%) for all periods before November 2021 and a new language rate of 6% to periods after November 2021.

As of the 2019 Board vote and subsequent 2021 contract changes to Article VI, the Investment Earnings rate realized by MPCT was 6% annually. As of today, that figure is 5.3% due to a tough 2022 stock market.

Does 0-1% being used for years prior to November 2021 in their recalculations, sound like the 5.3-6% investment earnings return realized & owed to all policy holders under the original Article VI to you??

We need this body to compel the MD529 to HONOR their contracts that we all signed and agreed to over the initial 20 years of the program, and not allow these unilateral changes to the terms and benefit

calculations of our contracts to stand one day longer. All 27,000 policy holders are being damaged - only a few thousand of us are probably even aware of the damage they have done. But don't worry the other 25,000 are coming behind us as their children hit college age... and they expect to receive what was written in their contracts too.

This "issue" or "error" caused by these contract changes, or "additional benefits" and "simplicity" as their disclosures claimed, can be fixed in 30 minutes if they were compelled to do so.

We don't have 12-18-24 months. My daughter is due to start college in the fall of 2025. We will be looking at schools and evaluating our financial options starting this summer and fall! How are we supposed to evaluate what our options are while the MPCT is in limbo? This is unconscionable.

Thank you for your attention to this matter. Please take corrective action to RESTORE our Earnings, per our terms of the contract, and allow us to Rollover those funds and get out of the MPCT. They are completely incompetent and should not hold our funds for one more day.

Sincerely,

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